

Regional Fire Committee Progress Update September 23, 2010

Scio Township, Webster Township,
Dexter Township, and Village of Dexter
Presentation by: Dr. Lynn Harvey

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Regional Fire Committee

- **Started meeting in September 2009 to explore whether improvements to service and cost savings could be realized if Dexter Village, Dexter Township, Scio Township and Webster Township formed a regional fire department**
- **The Committee hired Dr. Lynn Harvey as its consultant.**
 - **He is the author of the paper "Buying and Selling Fire Protection"**

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Three Key Questions to Answer

- How do we organize for the delivery of fire protection services?
- How do we finance a joint operation?
- How do we allocate cost shares among the participating units?

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Department Organization

- Can be created using several statutes:
 - Public Act 57 of 1988 – Fire Authorities
 - MCL124.601 et seq.
 - Public Act 7 of 1967 (ES) – Urban Cooperation Act
 - MCL124.501 et seq.
 - Public Act 33 of 1951 – Police & Fire Protection Act
 - MCL 41.801 et seq.

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Department Organization

- PA 365, 1982 Fire Administrative Board
 - MCL 41.811 et seq.

- Committee gathered examples of Articles of Incorporation or By-Laws used by other units of government.

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Department Organization – Authority v. Joint Department

- Fire Authority
 - Current structure of the Chelsea Area Fire Authority
 - Created by adopting resolution of intent by participating units
 - Jointly the units develop Articles of Incorporation and submit to each unit for adoption
 - Must include entire municipality
 - May finance with millage with voter approval
 - Authority board members appointed by local units

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Department Organization – Authority v. Joint Department

- **Joint Department with oversight by an Administrative Fire Board.**
 - **Current structure of the Dexter Area Fire Board**
 - **Operating By-Laws adopted by each community**
 - **Does not need to include the entire municipality**
 - **Does not have the power to ask the voters for a millage**

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Department Organization – Authority v. Joint Department

- **Committee generally feels that a Joint Department with an Administrative Fire Board would serve the organization's needs**

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Department Organization – Union Structure

- **Currently each department associates with a different union**
 - **Dexter Area Fire Department employees are represented by the International Association of Firefighters**
 - **Scio Fire Department employees are represented by Teamsters**

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Department Organization – Service Area

- **Current scenarios were developed using all of Dexter Township, Webster Township, Village of Dexter, and Scio Township**
 - **The Committee is aware that this make-up could change depending on the outcome of Dexter Townships upcoming decision on fire protection.**

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Financing

- **The Committee members recommended that the financing of fire services be left up to the decision of participating units.**
 - **Current fire service funding:**
 - **Scio Township – Special Assessment District**
 - **Dexter & Webster Townships – Millage**
 - **Dexter Village – General Fund**

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Allocating Cost Shares

- **The “sticky wicket” in joint operations, how to share the costs?**
- **If millage is used, taxable value becomes the allocating factor but TV does not relate to consumption or usage of fire services.**
- **Service demand is an important factor to consider in allocating cost shares**
- **Weighted formula provides the opportunity to include multiple factors in determining cost shares**

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Allocating Cost Shares

- **Goal is to identify and incorporate factors into a formula in an attempt to measure the demand for fire services.**
- **A weighted formula needs to be dynamic, that is, reflect change when factors change.**
- **A weighted formula improves the equity in the distribution of cost shares and minimizes cross-subsidization between participating units.**

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Formula Factors

- **30% - State Equalized Value (S.E.V.) – represents the value of land and property to be protected**
- **30% - Population – correlation between population and demand for fire and emergency services**
- **40% - Usage – as usage increases in a unit, their relative share of costs increases.**

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Formula Factors

- Once factors identified, need to assign weights to each factors such that the sum of weights equals 1.0.
- Assignment of weights is a political decision.
- Sum across participating units for each factor to determine the relative share or percentage of each factor for each unit.

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Factor Share – State Equalized Value – S.E.V.

SEV 2010

Unit	S.E.V.	Pct Total
Dexter T	367,298,413	16.54
Scio T	1,222,183,500	55.04
Webster T	418,510,000	18.85
Dexter Vil	212,597,900	9.57
Total	2,220,589,813	100.00

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Factor Share – Population

SEMCOG's Population Estimates

Unit	Pop'n	Pct Total
Dexter T	6,633	20.04
Scio T	16,261	49.14
Webster T	6,672	20.16
Dexter Vil	3,525	10.65
Total	33,091	100.00

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Factor Share - Usage

- **Historical usage is used to capture historical consumption patterns.**
- **A 3 or 5 year rolling average can be used.**
- **Committee discussed including man hours and/or equipment hours along with run totals**
 - **General feeling of the Committee is that including man hours/equipment hours will not have enough of an impact to the cost to warrant being included**
 - **A majority of calls are under one hour**

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Factor Share - Response Protocol

Usage	2007	2008	2009	3 Yr Avg.	Pct Total
Dexter T	279	298	224	267	16.05
Scio T	1125	1143	1071	1113	53.51
Webster T	230	265	231	242	14.54
Dexter Vil	273	259	262	265	15.91
Total	1907	1965	1788	1887	100.00

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Factor Share

Effect of Open Space on SEV %

- Committee looked at removing 50% of the value of open space from each community's S.E.V.
- Determined that it did not materially impact the cost share as shown in the following slides

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Cost Share - Open Space Removed

	Pop'n (Wt) 0.30	SEV (Wt) 0.30	Usage (Wt) 0.40	Sum of Weights 1.00
Dexter T	0.0601	0.0497	0.0566	0.1665
Scio T	0.1474	0.1656	0.2360	0.5490
Webster T	0.0605	0.0556	0.0513	0.1674
Dexter Vil	0.0320	0.0290	0.0561	0.1171
Total	0.3000	0.3000	0.4000	1.0000

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Cost Share - Open Space Included

	Pop'n (Wt) 0.30	SEV (Wt) 0.30	Usage (Wt) 0.40	Sum of Weights 1.00
Dexter T	0.0601	0.0496	0.0566	0.1664
Scio T	0.1474	0.1651	0.2360	0.5485
Webster T	0.0605	0.0565	0.0513	0.1683
Dexter Vil	0.0320	0.0287	0.0561	0.1168
Total	0.3000	0.3000	0.4000	1.0000

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Cost Share - Usage Response Protocol

- **Dexter Area Fire Department and Scio Fire Department operate under different response protocols.**
 - **D. A. F.D. sends a fire department support response to all medical related calls (category 1A)**
 - **Scio Fire responds to life threatening emergency calls only (category 2)**

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Cost Share - Usage Response Protocol

- **It is estimated that if either community adopted the other protocol their usage would change 25%**
- **The following table shows the factors with an increase of 25% to Scio's current usage**

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Recommended Cost Shares

	Pop'n (Wt)	SEV (Wt)	Usage (Wt)	Sum of Weights
	0.30	0.30	0.40	1.00
Dexter T	0.0601	0.0496	0.0566	0.1664
Scio T	0.1474	0.1651	0.2360	0.5485
Webster T	0.0605	0.0565	0.0513	0.1683
Dexter Vil	0.0320	0.0287	0.0561	0.1168
Total	0.3000	0.3000	0.4000	1.0000

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Estimated Cost - \$2,229,338 Budget

Dexter Township	\$370,886
Scio Township	\$1,222,795
Webster Township	\$375,282
Dexter Village	\$260,375

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Current Costs

Dexter Township	\$295,539
Scio Township	\$1,208,875
Webster Township	\$325,400
Dexter Village	\$358,239

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Next Steps

- Participating communities consider passing a resolution of support for continuing the process
- Committee drafts transition plan
- Units review and adopt transition plan

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